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COUNTRY COOPERATION FRAMEWORK AND RELATED MATTERS

EXTENSION OF THE FIFTH COUNTRY PROGRAMME FOR ECUADOR

Note by the Administrator

I. JUSTIFICATION

1. The fifth country programme for Ecuador (1992-1996) was approved by the Governing Council at its special session in 1992. The country programme focused on: (a) economic diversification; (b) poverty eradication and the promotion of grass-roots participation; and (c) rationalization of public sector management. The programme was reviewed in the first quarter of 1995 and was modified to reflect changes in government priorities. The first thematic area was redefined into sustainable management of natural resources. The second thematic area incorporated UNDP concerns regarding the advancement of women, sustainable livelihoods and employment. The third area remained unchanged.

2. The fifth country programme was scheduled to end in December 1996, with a new country cooperation framework (CCF) to be approved in 1997. Between mid-1996 and mid-1998 the Government of Ecuador worked to finalize its first country cooperation framework, taking into consideration its efforts to define national development goals and priorities. The process was protracted due to unexpected political crises and ensuing changes in the administration, which affected the consultative process and ultimately the submission of a CCF to the Executive Board. Under these circumstances, the Administrator found it necessary to extend the period of the fifth country programme to cover the year 1997. The Administrator wishes to bring this to the notice of the Executive Board at its current session.

3. In August 1996, a new administration took office. Dissatisfaction with the directions of the Government led to civil society mobilization and the removal of the elected President and the installation of an interim Government in

February 1997; the interim Government was endorsed by a popular referendum in May of the same year. In November 1997, a second referendum approved the creation of a National Assembly to reform the Constitution. The first phase of general elections was held on 31 May 1998; at the time of writing, the second round of presidential elections is scheduled for mid-July 1998. A new administration will be installed in August 1998. Accordingly, the period 1997-1998 has been and continues to be used both to complete projects and programmes approved during the fifth country programme and to identify and decide on priorities for UNDP support under the first CCF.

II. OBJECTIVES

4. The extension of the country programme has three objectives: (a) to build on the policy directions of the new Government taking office in August 1998 and to maintain the programme's relevance until December 1998; (b) to incorporate the outcomes of UNDP policy dialogue with civil society on priority development goals; and (c) to further UNDP advocacy and collaboration with Ecuador in priority areas for the organization, namely, good governance and public sector management; sustainable human development; poverty reduction; environmental management; and disaster preparedness and management.

III. PROGRAMME DESCRIPTION

5. Consultations with the Government on the future of the UNDP programme were initiated with the National Planning Council in 1995. As noted above, the fifth country programme was evaluated and incorporated elements of new UNDP planning and programming policies. The first consultations for the preparation of the advisory note and CCF were based on a national plan for social development covering the 1996-2005 period, prepared by the previous administration. Under the leadership of the Vice-President, who was also President of the National Planning Council, the new Government defined an implementation strategy of the plan. Discussions were also held to define the roles for UNDP and other United Nations agencies as well as representatives of the international community working in Ecuador. With the unplanned change in the Government, the national plan for social development was never approved. UNDP and other United Nations agencies resumed talks with the new interim administration, which took office in February 1997. Discussions with CONADE and social ministries focused on developing a social development agenda for the interim Government. These talks were not conclusive, owing to (a) a lack of clarity of institutional responsibilities under the new Government, and (b) the emergency caused by the phenomenon El Niño and other natural disasters.

6. Ecuador has been severely affected by a series of natural disasters over the last two years. These included drought emergency in the southern border provinces (Loja and El Oro) in 1996, and the El Niño phenomenon, which has affected primarily the coastal provinces and the Andean foothills in 1997 and 1998. On 2 July 1997, a presidential decree declared a full state of emergency. A national contingency plan was formulated, outlining preventive and relief activities to cope with the El Niño disaster. UNDP and United Nations agencies established a United Nations Disaster Management Team to support the national

plan both in its preventive phase and in addressing urgent humanitarian needs. At the time of writing, a reduction in the intensity of the El Niño phenomenon is expected by July 1998. A rehabilitation and reconstruction phase will begin by the middle of the year. The humanitarian emergency programme will continue at least until the first harvests occur in September/October 1998.

7. In addition to the work described in paragraph 6 above, between mid-1996 and the present, the UNDP country office has worked with the Government, academia, and civil society to: (a) continue advocacy efforts around key thematic areas to promote sustainable human development principles, including good governance, gender equity, poverty alleviation, and human rights; (b) provide advice on ways to advance the plans of action elaborated at the various United Nations-sponsored global conferences and summits; (c) help to mobilize resources from other donors; and (d) move ahead with programme formulation, and priority-setting for social development. UNDP made ample use of the human development report and other advocacy instruments, including the Latin American campaign to promote human rights and the rights of women. UNDP is also negotiating the preparation of a national human development report, the first for Ecuador. In 1997, UNDP coordinated the first joint United Nations organization exhibition in Ecuador to celebrate United Nations day. The event served to highlight and promote the work of the United Nations and to promote a dialogue on poverty alleviation, social communication, food security, HIV/AIDS and human rights principles. Over the last 12 months, UNDP sponsored several round-table discussions with the participation of all levels of society. The purpose of the meetings was to identify policy interventions within the framework of sustainable human development that transcend the duration of individual administrations. The first part of this process culminated with an international forum and the identification of priority areas and strategies for discussion with the next elected Government in August 1998.

8. In order for the first country cooperation framework to be relevant to the current and future priorities of Ecuador, it must incorporate strategies to reduce vulnerability, improve mechanisms for the prevention and mitigation of disasters, and outline a comprehensive post-El Niño reconstruction programme. These activities must be formulated within a framework of sustainable development and improved environmental management. In this regard, the country cooperation framework will target good governance, with a particular emphasis paid to ensuring the stability and continuity of social and economic policies. The framework will also support public sector management reform, particularly in the judicial area, enhancing transparency and accountability. Promotion of social policies aimed at poverty reduction and the protection of vulnerable groups will also be featured in the new framework. UNDP will continue its wide-ranging consultative process with the interim authorities, and after August 1998, with the new Government, as well as with representatives from civil society organizations. Considering these circumstances, the CCF is expected to be finalized for submission to the Executive Board in January 1999.

IV. RECOMMENDATION

9. The Administrator recommends that the Executive Board approve the extension of the fifth country programme of Ecuador for a period of one year beginning January 1998.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR ECUADOR (1997-1998)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated carry-over	(3 619)	
TRAC 1.1.1	1 135	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	450	
SPPD/STS	199	
Subtotal	(1 835)[a]	
NON-CORE FUNDS		
Government cost-sharing	60 000	
Sustainable development funds	5 500 of which: 5 000 500	
GEF Capacity 21		
Third-party cost-sharing	3 000	
Funds, trust funds and other	1 150 of which: 150 1 000	
UNIFEM UNV		
Subtotal	69 650	
GRAND TOTAL	67 815[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNIFEM = United Nations Development Fund for Women; UNV = United Nations Volunteers.